

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7371

BILL NUMBER: HB 1278

NOTE PREPARED: May 1, 2009

BILL AMENDED: Apr 29, 2009

SUBJECT: Water Matters.

FIRST AUTHOR: Rep. Smith M

FIRST SPONSOR: Sen. Walker

BILL STATUS: Enrolled

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: *Study Committee.* This bill urges the Legislative Council to assign to a study committee the topic of water rights, drainage, and utilities.

Eminent Domain with Respect to Certain Utilities. This bill specifies the procedures by which a municipality may exercise the power of eminent domain to acquire the property of a public utility. A municipality (1) may recover costs associated with acquiring utility property through reasonable rates and charges; and (2) may not impose additional rates or charges to pay for costs associated with acquiring the property by condemnation. The bill repeals provisions that (1) permit a public utility to seek judicial review of the public convenience and necessity of the acquisition of the public utility's property by a municipality; and (2) require voter approval of the acquisition by purchase or condemnation of the property of a public utility.

Effective Date: Upon passage; July 1, 2009.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: *Eminent Domain with Respect to Certain Utilities.* The impact that this provision will have on expenditures of local units is indeterminable and will depend on local actions.

Explanation of Local Revenues: This bill specifies that a municipality may recover certain costs associated with acquiring utility property through reasonable rates and charges. The amount of revenue that will be generated by this provision is indeterminable.

State Agencies Affected:

Local Agencies Affected: Municipalities.

Information Sources:

Fiscal Analyst: Bernadette Bartlett, 317-232-9586.